

CITY OF HUNTINGTON PARK

Oversight Board Agenda Report

December 5, 2013

Honorable Chair and Members of the Oversight Board
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Members of the Oversight Board to the Successor Agency of the Community Development Commission of the City of Huntington Park:

PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT 6100-6114 CARMELITA AVENUE, 6126 BEAR AVENUE, 3806-3828 61st STREET ("CARMELITA")

IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:

1. Adopt Resolution approving the sale of property located at 6100-6114 Carmelita Avenue, 6126 Bear Avenue, 3806-3828 61st Street (Carmelita) in accordance with the dissolution process
2. Approve in substantial form, a Purchase and Sale Agreement (Agreement) for the Carmelita property in accordance with the Long Range Property Management Plan (LRPMP)
3. Authorize the Executive Director of the Successor Agency to execute all documents related to the sale of the Carmelita property

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

AB X126 and AB 1484, which outline the dissolution process for Redevelopment Agencies (RDAs), require Successor Agencies to prepare a LRPMP outlining a strategy to dispose of real estate assets. The LRPMP must be submitted and approved by the Oversight Board and Department of Finance (DOF). At the time of dissolution, the former RDA (now a Successor Agency) owned the following four properties: Heritage Plaza, Rugby Parking Lots, Carmelita, and Southland Steel.

On June 3, 2013, the Successor Agency completed its LRPMP recommending that all four properties be sold. The LRPMP was subsequently approved by the Oversight Board on June 12, 2013, and the DOF on August 29, 2013. The next

APPROVE A PURCHASE AND SALE AGREEMENT FOR HERITAGE PLAZA PROPERTY

December 11, 2013

Page 2 of 3

step in the dissolution process is to dispose of all four real estate assets according to the approved LRPMP.

At this time the Successor Agency is requesting authorization to execute an Agreement for the sale of the Carmelita property. AMG & Associates, LLC., a private entity, has offered to purchase the land for \$2,000,000; this amount represents the highest bid out of 8 bidders. The buyer intends to develop the property for mixed-use townhomes and/or charter school.

Property History

The former RDA purchased this 80,855 square feet property for \$2,420,000 in April of 2011. The objective was revitalize the property with a residential project. There are no lease or rental revenues generated by the property. This site is improved with twelve residential vacant units and one large vacant/unimproved parcel, which was formerly developed with a plant nursery.

The zoning of the property permits single-family residential and low to high density multiple-family residential development. The maximum allowable development is 20 units per acre or 1 unit per 2,178 square feet. On February 28, 2013, the property was appraised at \$1,515,000.

Terms of Sale

Jones Lang LaSalle (Successor Agency's broker) and AMG & Associates, LLC, have negotiated the following terms of the sale:

1. Purchase price - \$2,100,000 "as is" condition.
2. 90-day escrow period
3. Agreement is subject to final approval by the DOF

FISCAL IMPACT/FINANCING

The sale price of the property is \$585,000 above the appraised value of \$1,515,000. All escrow related fees, including the broker commission fee of 3% will be paid from proceeds of the sale. The remaining proceeds will be used to pay outstanding Successor Agency obligations listed in the approved Recognized Obligation Payment Schedule (i.e. Neighborhood Preservation RDA Bond).

APPROVE A PURCHASE AND SALE AGREEMENT FOR HERITAGE PLAZA PROPERTY

December 11, 2013

Page 3 of 3

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The guidelines under AB 1484 outline a 5-step process for the disposition of properties:

1. Due Diligence Reviews ("DDRs")
 - a. Completed – November 12, 2012 (Housing Funds) and January 8, 2013 (Non-Housing Funds)
2. Remit all cash assets to the County-Auditor Controller and taxing entities
 - a. Completed – No cash available to remit
3. DOF issues Finding of Completion
 - a. Completed – issued on April 12, 2013
4. Develop and Approve LRPM Plan
 - a. Successor Agency Approval – June 3, 2013
 - b. Oversight Board Approval – June 12, 2013
 - c. Department of Finance – August 29, 2013
5. Dispose of real estate assets in accordance with LRPM Plan – At this time the Successor Agency is requesting approval of an Agreement for the sale of the Carmelita.

CONCLUSION

Upon approval by Successor Agency and Oversight Board, the Resolution and Purchase and Sale Agreement will be submitted to the DOF for final approval.

Respectfully submitted,



JULIO MORALES

Finance Director

ATTACHMENTS

- A. Purchase and Sale Agreement
- B. Resolution

RESOLUTION OSB 2013-08

A RESOLUTION OF THE OVERSIGHT BOARD OF DIRECTORS

FOR THE SUCCESSOR AGENCY TO THE COMMUNITY

DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK

APPROVING A PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT

6100-6114 CARMELITA AVENUE, 6126 BEAR AVENUE, 3806-3826 61st STREET

("CARMELITA")

WHEREAS, California Health and Safety Code section 34191.5(b), (the "Act") provides that the Successor Agency of the former Community Development Commission of the City of Huntington Park (the "Successor Agency") is required to prepare a Long Range Property Management Plan (the "Plan") that addresses the disposition and use of real properties of the former redevelopment agency; and

WHEREAS, section 34191.5(b) of the Act also requires the Successor Agency to submit the Plan to the Oversight Board of the Successor Agency of the former Community Development Commission of the City of Huntington Park (the "Oversight Board") and the Department of Finance, and required regulatory agencies, not later than six months following the issuance to the Successor Agency of the finding of completion; and

WHEREAS, the Successor Agency received its finding of completion from the Department of Finance on April 12, 2013; and

WHEREAS, at its regularly scheduled meeting on June 12, 2013, the Oversight Board approved the Plan;

WHEREAS, the Plan governs the disposition by sale of four properties owned by the Successor Agency:

- 1) Heritage Plaza (6325 Pacific Boulevard)

2) Rugby Avenue Parking Lots (6116 Rugby Avenue)

3) Carmelita Avenue property (6100-6114 Carmelita Avenue/6126 Bear Avenue/3806-3828 61st Street)

4) Southland Steel (5959-6169 South Alameda Street)

WHEREAS, the Successor Agency received approval of the Plan from the Department of Finance on August 29, 2013;

WHEREAS, the Successor Agency desires to sell Carmelita, consistent with the provisions of the approved Plan, for a sale price of \$2,100,000;

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK, AS FOLLOWS:

A. The Oversight Board finds that:

1. The recitals above are true and correct and have been incorporated herein by reference.

2. The sale of Carmelita is made in accordance with the approved Plan.

B. The Oversight Board hereby APPROVES the Purchase and Sale Agreement ("Agreement") for Carmelita, substantially as presented to the Oversight Board at its December 11, 2013 meeting subject to approval by the Department of Finance. It is expressly understood that the Agreement for the sale of this property is conditioned upon the prior approval of the Department of Finance.

C. The Oversight Board hereby AUTHORIZES electronic transmission of this Resolution and Agreement to the Department of Finance and other required regulatory agencies.

1 D. The Oversight Board hereby AUTHORIZES the Executive Director for the
2 Successor Agency, or the Executive Director's designee, to take such action as
3 necessary for the sale of Carmelita, upon receipt of, and compliance with, the
4 final approval by the Department of Finance.

5 PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the
6 former Community Development Commission of the City of Huntington Park at a meeting
7 held this 11th day of December, 2013, by the following vote to wit:
8

9 AYES:

10 NOES:

11
12 ABSENT:

13
14
15
16
17 ATTEST:

OVERSIGHT BOARD:

18
19
20 _____
21 Estevan Padilla, Deputy Clerk
22 Los Angeles County Board of Supervisors
23 Acting as Secretary to the Huntington Park
24 Oversight Board
25
26
27
28

Chair Elba Guerrero

1
2
3
4
5
6 STATE OF CALIFORNIA)
7 COUNTY OF LOS ANGELES) SS
8 CITY OF HUNTINGTON PARK)
9

10 I, Estevan Padilla, Secretary of the Oversight Board, DO HEREBY CERTIFY that the
11 foregoing Oversight Board Resolution No. OSB 2013-08 was duly adopted by the Oversight
12 Board and approved by the Chair at a meeting of said Oversight Board held on the 11th day
13 of December 2013, and that it was so adopted as follows:
14

15 AYES:

16 NOES:

17 ABSENT:

18 ABSTAINING: None
19
20
21
22

23
24 _____
25 Estevan Padilla, Deputy Clerk
26 Los Angeles County Board of Supervisors
27 Acting as Secretary to the Huntington Park Oversight
28 Board

**PURCHASE AND SALE AGREEMENT AND ESCROW INSTRUCTIONS
6126 BEAR AVENUE, 6100-6114 CARMELITA AVENUE, AND 3806-3826 61ST
STREET, HUNTINGTON PARK**

This Purchase and Sale Agreement and Escrow Instructions (this “**Agreement**”) is made and entered into as of _____, 2013 (the “**Effective Date**”), by and between the **SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK** (the “**Seller**”), and **AMG & ASSOCIATES, LLC**, a **California limited liability company** (the “**Buyer**”), with respect to the following facts:

RECITALS

A. Seller is the owner of and desires to sell to Buyer:

(a) that certain tract or parcel(s) of land situated in the City of Huntington Park, County of Los Angeles, State of California, more particularly described on **Exhibit A** attached hereto and made a part hereof, together with all of the interest of Seller in any and all rights and appurtenances pertaining to such property, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way (collectively, the “**Land**”); and

(b) The Land is hereinafter sometimes referred to as the “**Property**.”

B. Buyer desires to purchase the Property from Seller.

C. By this Agreement, Seller is agreeing to sell the Property to Buyer upon and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the terms and conditions of this Agreement and for other valuable consideration, the receipt of which is hereby acknowledged, the Buyer and Seller agree as follows:

1. Purchase and Sale. Subject to and in accordance with the terms and conditions hereinafter set forth, on the Close of Escrow (as defined in Section 2), Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Property.

2. Opening and Closing of Escrow. Within three (3) Business Days after the Effective Date, an escrow (the “**Escrow**”) shall be opened with Chicago Title Company (the “Escrow Holder”), _____, Attention: _____, Telephone: _____, Fax: _____, Email: _____ (**Opening of Escrow**”).

Upon the Opening of Escrow, the parties hereto shall deposit a fully executed original of this Agreement with Escrow Holder and this Agreement shall serve as the instructions to Escrow Holder for consummation of the transactions contemplated hereby. Seller and Buyer agree to execute such additional and supplementary escrow instructions as may be appropriate to enable Escrow Holder to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the terms and provisions of this Agreement and the terms and provisions of any supplementary escrow instructions, the terms and provisions of this Agreement shall

control. The “**Close of Escrow**” or “**Closing**” shall be the date that a grant deed for the Property in favor of Buyer is recorded in the Official Records of the Los Angeles County Recorder’s Office. The Close of Escrow shall occur within thirty (30) days after the first to occur of (i) approval by the City of Huntington Park of the Entitlements for the Buyers Intended Use pursuant to Section 12(g), or (ii) 180 days after the Effective Date (the “**Closing Date**”). Buyer at its option may extend the **Close of Escrow** for 180 days, upon written notice to Seller and Escrow Agency and the deposit by Buyer of an additional One Hundred Thousand Dollars (\$100,000) into Escrow, which amount shall be non-refundable to Buyer and shall apply to the Purchase Price at Closing. Notwithstanding the foregoing, the **Close of Escrow** shall be automatically extended until such date as the California Department of Finance has either approved or disapproved the transaction described herein. The **Close of Escrow** shall be conditioned upon satisfaction, or written waiver by the Party for whose benefit the condition exists, of all conditions precedent thereto, including the prior approval of this Agreement by the Oversight Board to the Successor Agency to the Community Development Commission of the City of Huntington Park and the California Department of Finance.

3. Purchase Price; Deposit; Escrow Account.

(a) The purchase price for the Property is Two Million One Hundred Thousand Dollars (\$2,100,000) (the “**Purchase Price**”). Seller agrees to transfer title to the Property to Buyer.

(b) Within five (5) Business Days after the Effective Date, Seller shall deliver to Escrow Holder an earnest money deposit in the amount of Fifty Thousand Dollars (\$50,000) (the “**Deposit**”) in the form of a cashier’s check, or other form acceptable to the Escrow Holder. The Deposit shall be placed in a non-interest-bearing bank account (the “**Escrow Account**”). On the Close of Escrow, the Deposit shall be applied toward all escrow fees and closing costs. In the event that Buyer terminates this Agreement by written notice to Seller on or prior to the expiration of the Due Diligence Period (as defined in Section 9) in accordance with the terms and provisions hereof, the Deposit shall be refunded to Seller and all cancellation fees charged by the Escrow Holder and/or Title Company shall be paid by Seller. Upon the first to occur of (i) approval by the City of Huntington Park of the Entitlements for the Buyers Intended Use pursuant to Section 12(g), or (ii) 180 days after the Effective Date, if this Agreement has not been terminated or deemed terminated as provided herein, the Deposit shall become non-refundable and shall be applied toward all escrow fees and closing costs at the Close of Escrow or released to and retained by Seller if the Close of Escrow does not occur as the result of (i) a default by Buyer or (ii) Buyer’s termination of this Agreement (except in the event of a default by Seller).

4. Delivery of Documents on the Close of Escrow.

(a) On the Close of Escrow, Seller covenants and agrees to cause to be delivered to Buyer a duly executed and acknowledged Grant Deed in the form attached as **Exhibit C** hereto (the “**Grant Deed**”) conveying to Buyer all of Seller's interest in the Property subject only to the Permitted Title Exceptions (as defined in Section 5) approved by Buyer, as provided below.

(b) At the Close of Escrow, Buyer shall receive the Title Policy (as defined in Section 5) issued by Chicago Title Insurance Corporation (the “**Title Company**”), _____, Los Angeles, California _____, Attention: _____, Title Officer, Phone: _____, Fax: _____, Email: _____, insuring in Buyer fee simple title to the Property, free and clear of all liens and encumbrances other than the Permitted Title Exceptions (as defined in Section 5).

5. Title and Title Insurance.

(a) Within five (5) days after the Effective Date, Seller shall deliver to Buyer a preliminary title report for the Property from Title Company together with copies of all instruments noted as exceptions therein (the “**Preliminary Title Report**”), and the most recent ALTA survey of the Property, if any, in Seller’s possession or under Seller’s control. Seller shall also have the option of ordering, at its cost, an ALTA survey for the Property pursuant to the terms set forth in Section 14 (the “**Survey**”).

(b) Buyer shall have until the expiration of the Due Diligence Period to disapprove any exceptions to title shown on the Preliminary Title Report or reflected on the Survey (collectively, “**Disapproved Exceptions**”) and to provide Seller with notice of disapproval in writing describing the defect with reasonable particularity (the “**Disapproval Notice**”). Any exceptions to title not disapproved by Buyer within such period shall be deemed approved. Within five (5) Business Days of Seller’s receipt of a Disapproval Notice, Seller shall have the right, but not the obligation, to notify Buyer in writing that Seller intends to remove the Disapproved Exceptions. If Seller notifies Buyer of an intention to eliminate the Disapproved Exceptions, Seller shall do so concurrently with or prior to the Close of Escrow; provided, however, if such Disapproved Exception is not susceptible of removal and cure prior to the Close of Escrow despite Seller’s commercially reasonable efforts, the scheduled date for the Close of Escrow shall be automatically extended by a reasonable additional time to effect such a cure, but in no event shall the extension exceed thirty (30) days after the Closing Date. If Seller does not elect to remove any of the Disapproved Exceptions, Buyer, by notifying in writing Seller within three (3) Business Days after the expiration of Seller’s election period, may elect to terminate this Agreement or to take the Property subject to the Disapproved Exceptions. The Title Policy shall include such endorsements as Buyer shall reasonably request and which Title Company agrees to issue on or before the expiration of the Due Diligence Period. Any title policy endorsements are to be paid for by Buyer.

(c) Buyer’s obligation to consummate the purchase contemplated by this Agreement is conditioned upon the irrevocable commitment by the Title Company, issued on or before the expiration of the Due Diligence Period, and reconfirmed not later than one (1) Business Day prior to the Closing Date, to issue a CLTA Standard Coverage Owner’s Policy of Title Insurance in the amount of the Purchase Price, issued by Title Company (the “**Title Policy**”). The Title Policy shall insure Buyer’s fee interest in the Property subject only to the following permitted conditions of title (the “**Permitted Title Exceptions**”):

(i) General and special real property taxes and assessments for the then current tax fiscal year which are a lien not then due and payable;

(ii) The applicable zoning, building and development regulations of any municipality, county, state or federal jurisdiction affecting the Property;

(iii) Such other exceptions listed in the Preliminary Title Report that have been approved, or been deemed approved, by Buyer as provided in Section 5(b); and

(iv) Any exceptions directly or indirectly caused by Buyer or Buyer's agents, employees or contractors.

At Buyer's election and cost, Buyer may cause the Title Company to provide Buyer with an ALTA Extended Coverage Owner's Policy. Notwithstanding the foregoing, Buyer's receipt of an ALTA policy shall only be a condition to closing provided that Buyer pays the cost of the ALTA policy in excess of the cost of a CLTA policy and Buyer obtains an ALTA survey acceptable to the Title Company prior to the expiration of the Due Diligence Period. Seller shall not encumber the Property during the period from the Effective Date to the Close of Escrow or the date of the termination of this Agreement. From and after the Effective Date and prior to the end of the Due Diligence Period (as hereinafter defined), Seller shall not amend or terminate any Lease or enter into any new lease with respect to the Property without having given Buyer prior written notice of such action. After the end of the Due Diligence Period and prior to the Close of Escrow, Seller shall not amend or terminate any Lease or enter into any new lease with respect to the Property without Buyer's consent, which consent may be granted or withheld in the sole and absolute discretion of Buyer.

6. Deposit of Documents and Funds in Escrow.

(a) Seller and Buyer, as applicable, hereby covenant and agree to deliver to Escrow Holder at least one (1) Business Day prior to the Close of Escrow the below listed instruments, documents, and funds, the delivery of each of which shall be a condition of the Close of Escrow.

(b) Seller shall deliver:

(i) The Grant Deed duly executed and acknowledged by Seller;

(ii) A Withholding Exemption Certificate Form 593-C as contemplated by California Revenue and Taxation Code §18662 (the "**Withholding Affidavit**") duly executed by Seller;

(iii) A Certification of Non-Foreign Status in accordance with Internal Revenue Code Section 1445 duly executed by Seller; and

(iv) Such proof of Seller's authority and authorization to enter into this transaction as the Title Company may reasonably require in order to issue the Title Policy;

(c) Buyer shall deliver:

(i) Such proof of Buyer's authority and authorization to enter into this transaction as the Title Company may reasonably require in order to issue the Title Policy.

Each of the Buyer and Seller may waive any condition of the Close of Escrow to be performed by the other and set forth in this Section 6.

7. Authorization to Record Documents and Disburse Funds. Escrow Holder is hereby authorized to record the documents and disburse the funds and distribute the documents called for hereunder upon the Close of Escrow, provided each of the following conditions has then been fulfilled:

(a) The Title Company is irrevocably committed to issue in favor of Buyer the Title Policy, with a liability in the amount of the fair market value of the Property, as set forth in Section 5(c).

(b) Escrow Holder shall have received Buyer's authorization to close and Buyer's notice of approval or satisfaction or waiver of all of the contingencies/conditions to Buyer's obligations hereunder, as provided for in Section 12;

(c) Escrow Holder shall have received Seller's authorization to close and Seller's notice of approval or satisfaction or waiver of all of the contingencies/conditions to Seller's obligations hereunder, as provided for in Section 13; and

(d) Seller and Buyer shall have deposited in Escrow the documents and funds required pursuant to Section 6.

Unless otherwise instructed in writing, Escrow Holder is authorized to record at the Close of Escrow any instrument delivered through this Escrow if necessary or proper for the issuance of the Title Policy.

8. Escrow Charges and Prorations.

(a) Seller shall pay (i) all of the fees and charges of Escrow Holder, (ii) the cost of the premium for the CLTA Standard Coverage portion of the Title Policy, (iii) all costs and charges for the recordation of the Grant Deed, and (iv) Seller's share of the charges prorated under this Agreement. If the Escrow shall fail to close due to Seller's default, Seller shall pay all Escrow cancellation charges.

(b) Buyer shall pay (i) the cost of all endorsements to the Title Policy, and (ii) Buyer's share of the charges prorated under this Agreement. If the Escrow shall fail to close due to Buyer's default or a failure of a condition precedent to Seller's obligations under this Agreement as provided in Section 13, Buyer shall pay all Escrow cancellation charges.

(c) The following shall be apportioned with respect to the Property as of 12:01 a.m., on the day on which the Close of Escrow occurs, as if Buyer were vested with title to the Property during the entire day upon which the Close of Escrow occurs: (i) rents, if any, as and when collected (the term "**rents**" as used in this Agreement includes all payments due and payable by tenant under the Lease); (ii) taxes (including personal property taxes on the Personal Property, if any) and assessments levied against the Property; (iii) gas, electricity and other utility charges for which Seller is liable, if any, such charges to be apportioned at the Close of Escrow on the basis of the most recent meter reading occurring prior to the Close of Escrow; and

(iv) any other operating expenses or other items pertaining to the Property which are customarily prorated between a buyer and a seller in the area in which the Property is located.

(d) Notwithstanding anything contained in Section 8(c):

(i) At the Close of Escrow, Seller shall deliver to Buyer any security deposits, if any, actually held by Seller pursuant to the Lease (to the extent such security deposits are not applied against delinquent rents or otherwise as provided in the Lease).

(ii) Any installment of taxes or assessments for the current year paid at or prior to the Close of Escrow shall be prorated based upon the amounts actually paid. If taxes and assessments for the current year have not been paid before the Close of Escrow, Seller shall be charged at the Close of Escrow an amount equal to that portion of such taxes and assessments which relates to the period before the Close of Escrow and Buyer shall pay the taxes and assessments prior to their becoming delinquent. Any such apportionment made with respect to a tax year for which the tax rate or assessed valuation, or both, have not yet been fixed shall be based upon the tax rate and/or assessed valuation last fixed. To the extent that the actual taxes and assessments for the current year differ from the amount apportioned at the Close of Escrow, the parties shall make all necessary adjustments by appropriate payments between themselves following the Close of Escrow. All delinquent taxes and assessments (and any penalties therein) for periods prior to the Close of Escrow, if any, affecting the Property shall be paid by Seller.

(i) Unpaid and delinquent rent, if any, shall be forgiven in its entirety.

(e) All prorations shall be determined on the basis of a 365 day year. The provisions of this Section 8 shall survive the Close of Escrow.

9. Due Diligence Period; Access. During the period commencing on the Effective Date and ending at 5:00 p.m. on the date which is sixty (60) days thereafter (the “**Due Diligence Period**”), Buyer may inspect the Property as necessary to approve all zoning and land use matters relating to the Property and to approve the physical condition of the Property subject to the limitations set forth below.

(a) Within five (5) days after the Effective Date, Seller shall provide to Buyer, any and all of the following documents to the extent in Seller's possession or under Seller's control: environmental materials (as described in Section 10(a)(i) and (iv)) soils and geological testings or reports, structural engineering reports, plans and specifications, utility contracts, service contracts, brokerage agreements, leases of space at the Property, rent roll, and property tax bills for each of the two (2) prior fiscal years. It is understood by the parties hereto that Seller does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information contained in Seller's files or in the documents produced by Seller, including without limitation, any environmental audit or report prepared by unaffiliated third party consultant. To the extent permitted by law, Buyer shall keep all information provided by the Seller confidential and shall not disclose it to any third parties except its accountants, legal counsel, and other consultants employed in connection with its acquisition of the Property. In the event this Agreement is terminated, Buyer shall promptly return to Seller all such documentation and other information obtained from or otherwise provided by Seller. Buyer shall

provide Seller with copies of all reports, test results, surveys and other written materials obtained by Buyer in connection with its investigation of the Property promptly following Buyer's receipt thereof. Buyer may terminate this Agreement in Buyer's sole and absolute discretion for any reason, or for no reason whatsoever, by giving written notice to the Seller on any day prior to and including the final day of the Due Diligence Period, in which event, this Agreement shall become null and void and, except as expressly set forth in this Agreement, neither party shall have any further rights, duties and obligations hereunder, and Buyer shall be entitled to the immediate refund of the Deposit.

(b) Subject to Buyer's compliance with the terms of this Section 9, Buyer and its agents, attorneys, accountants, and other representatives shall have the right, at Buyer's sole cost and expense, to enter upon the Property during the Due Diligence Period to make inspections and other examinations of the Property and the improvements thereon, including without limitation, the right to perform surveys, soil and geological tests of the Property and the right to perform environmental site assessments and studies of the Property. Buyer's physical inspection of the Property shall be conducted during normal business hours at times mutually acceptable to Buyer and Seller. Buyer shall give Seller at least 24 hours prior notice of any entry onto the Property and Seller shall have the right to be present during any such entry or inspections. No invasive testing or boring shall be done without the prior notification of Seller and Seller's written permission of the same, which permission may be withheld in Seller's sole and absolute discretion. Buyer shall promptly repair any damage to the Property caused by its inspections and investigations.

10. Warranties, Representations and Covenants of Seller. Seller hereby represents, warrants and covenants to Buyer the following, it being expressly understood and agreed that all such representations and warranties are true and correct in all material respects as of the Effective Date. If the Seller acquires additional knowledge regarding the matters which are the subject of the warranties or representations contained in this Section 10 which would cause any of such warranties or representations to be incorrect in any material respect prior to the Close of Escrow, Seller shall give prompt written notice thereof to Buyer. Within seven (7) Business Days following receipt of such notice, Buyer may elect to cancel this Agreement. As of the Close of Escrow, the warranties and representations contained in this Section 10 shall be true and correct in all material respects, subject to any matters disclosed in writing by Seller to Buyer as provided herein.

(a) Hazardous Substances.

(i) To Seller's actual knowledge, except as otherwise described in Exhibit D, Seller has received no written notice, warning, notice of violation, administrative complaint, judicial complaint, or other formal or informal notice alleging that conditions on the Property are or have been in violation of any Environmental Law (as defined in Exhibit E), or informing Seller that the Property is subject to investigation or inquiry regarding Hazardous Substances (as defined in Exhibit E) on the Property or the potential violation of any Environmental Law.

(ii) To Seller's actual knowledge, except as otherwise described in **Exhibit D**, there is no monitoring program required by the Environmental Protection Agency or any similar state agency concerning the Property.

(iii) To Seller's actual knowledge, except as otherwise described in **Exhibit D**, no toxic or hazardous chemicals, waste, or substances of any kind have ever been spilled, disposed of, or stored on, under, or at the Property, whether by accident, burying, drainage, or storage in containers, tanks, or holding areas, or by any other means.

(iv) To Seller's actual knowledge, Seller has produced a list of all information, records, reports and studies maintained by Seller or under Seller's control in connection with the Property concerning Hazardous Substances and all existing orders and directives from or agreements with any governmental agency pertaining to the environmental condition of the Property and any requests for information, documents, access or investigation pertaining thereto and such list is contained in **Exhibit D** attached hereto. To the extent that certain documents contain confidential information, Buyer shall sign a confidentiality agreement as a condition to Buyer's review of such confidential documents.

(v) To Seller's actual knowledge, Seller has received no written request, directive, administrative order or judicial order to impose any type of land use restriction or institutional control relating to Hazardous Substances on the Property.

(b) Seller has full right and power to execute, deliver and perform its obligations under this Agreement, and when executed and delivered, Seller and all parties having an interest in the Property shall be lawfully bound by the terms of this Agreement. Seller is the sole owner of the Property, to Seller's actual knowledge, the Property is free and clear of all liens, claims, encumbrances, easements, or rights of way of any nature, other than those that may appear on the Preliminary Title report, and free and clear of encroachments on the Property from adjacent properties, encroachments by improvements or vegetation on the Property onto adjacent property, other than those that may appear on any Survey provided by Seller to Buyer or which Buyer otherwise obtains as described in **Section 5(a)**. Seller shall not further transfer or encumber the Property or allow the Property to be further encumbered prior to the Close of Escrow.

(c) To Seller's actual knowledge there is no pending or threatened litigation, which does or may adversely affect the Property.

(d) To Seller's actual knowledge, there are no written or oral commitments to or agreements with any governmental authority or agency materially and adversely affecting the Property, or any part thereof or any interest therein, which will survive the Close of Escrow other than those that may appear on the Preliminary Title Report. Seller has entered into no understanding or agreement with any taxing or assessing authority respecting the imposition or deferment of any taxes or assessments respecting the Property.

(e) Neither this Agreement nor anything provided to be done hereunder including the transfer of title to the Property to Buyer, violates or shall violate, any contract, instrument, partnership agreement, trust agreement, or any other agreement to which Seller is a

party, and which affects the Property or any part thereof, and the sale of the Property herein contemplated does not require the consent of any party not a signatory hereto.

(f) Seller is not a “foreign person” within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

(g) There are no (i) assignable contracts and agreements (collectively, the “**Operating Agreements**”) relating to or affecting the Property to which the Seller is a party or is obligated and pertaining to the upkeep, repair, maintenance, operation, or remediation of the Property which will survive the Close of Escrow, (ii) assignable existing warranties and guaranties (expressed or implied) issued to Seller in connection with the Improvements (collectively, the “**Intangibles**”); (iii) personal property items owned by Seller (collectively, the “**Personal Property**”) on the Property; or (iv) other contracts or agreements, such as maintenance, service, or utility contracts relating to or affecting the Property to which Seller is a party or is obligated which will survive the Close of Escrow.

(h) Seller agrees to indemnify Buyer and agrees to defend and hold Buyer harmless from all actual, reasonable out-of-pocket loss, costs, liability, expense, damage, or other injury, including without limitation, attorneys’ fees and expenses, and all other costs and expenses incurred by reason of, or in any manner resulting from the breach of any warranties and representations in this Section 10. The provisions of this Section 10 shall survive the Close of Escrow or the termination of this Agreement for a period of two (2) years.

As used anywhere in this Agreement, the terms “**actual knowledge**” and “**to Seller’s actual knowledge**” refers to the actual knowledge of the Successor Agency to The Community Development Commission of the City of Huntington Park, without the obligation to undertake any investigation or inquiry.

11. Warranties, Representations and Covenants of Buyer. Buyer hereby represents, warrants and covenants to Seller the following, it being expressly understood and agreed that all such representations and warranties are true and correct in all material respects as of the Effective Date. If Buyer acquires additional knowledge regarding the matters which are the subject of the representations or warranties contained in this Section 11 which would cause any of such representations or warranties to be incorrect in any material respect prior to the Close of Escrow, Buyer shall give prompt written notice thereof to Seller. Within seven (7) Business Days of receipt of such notice, Seller may elect to cancel this Agreement and Buyer shall be entitled to receive a refund of the Deposit. As of the Close of Escrow, the representations and warranties contained in this Section 11 shall be true and correct in all material respects, subject to any matters disclosed in writing by Buyer to Seller as herein provided.

(a) Buyer has the full right, power and authority to enter into this Agreement and has taken all action necessary to consummate the transactions contemplated hereby. The execution, delivery and performance of this Agreement has been duly and validly authorized by Buyer, and no other action by Buyer is requisite to the valid and binding execution, delivery, and performance of this Agreement by Buyer.

(b) There is no pending litigation or, to the best of Buyer's knowledge, threatened litigation, which does or will materially adversely affect Buyer's ability to consummate this transaction.

(c) This Agreement and all documents executed by Buyer which are to be delivered to Seller at or prior to the Closing are, or at the time of Closing will be, duly authorized, executed, and delivered by Buyer, are or at the time of Closing, will be legal, valid and binding obligations of Buyer, enforceable in accordance with their terms, and do not and at the time of Closing will not violate any provisions of any agreement or judicial order to which Buyer is a party or to which Buyer is subject.

(d) Buyer agrees to indemnify Seller and agrees to defend and hold Seller harmless from all actual, reasonable out-of-pocket loss, costs, liability, expense, damage, or other injury, including without limitation, attorneys' fees and expenses, and all other costs and expenses incurred by reason of, or in any manner resulting from the breach of any warranties and representations in this Section 11. The provisions of this Section 11 shall survive the Close of Escrow or the termination of this Agreement for a period of two (2) years.

12. Buyer's Conditions. For the benefit of the Buyer, the Close of Escrow and Buyer's obligation to consummate the purchase of Property shall be contingent upon and subject to written notice to Escrow Holder by Buyer of the occurrence of all of the following conditions precedent (or Buyer's written waiver thereof, it being agreed that Buyer can waive any or all such contingencies) on or before the Close of Escrow:

(a) Buyer's obtaining a satisfactory commitment issued by Title Company to issue the Title Policy in favor of Buyer with a liability amount equal to the Purchase Price showing Buyer's fee interest in the Property subject only to the Permitted Title Exceptions, and being otherwise in accordance with the provisions of Section 5 of this Agreement, and expressly insuring against the claims of any persons in possession, other than Seller, of all or any part of the Property and the claims of any mechanics or materialmen.

(b) Buyer's verifying that there are no mechanics' and/or materialmen's liens, or lis pendens actions affecting the Property, and that all taxes, sewer, water, and utility bills have been paid.

(c) That as of the Close of Escrow the representations and warranties of Seller contained in this Agreement are either all true and correct in all material respects or, to the extent that is not the case, have been waived by Buyer.

(d) Seller's delivery of all documents required to be delivered by Seller pursuant to Section 6 hereof.

(e) Buyer's approval, prior to the expiration of the Due Diligence Period, of the physical condition of the Property, including without limitation, any and all inspections, tests, survey(s), if any, and other studies to be conducted by Buyer, in Buyer's sole discretion.

(f) If Buyer has elected to obtain the same, Buyer's obtaining and approving the Survey provided for herein prior to the expiration of the Due Diligence Period.

(g) Approval by the City of Huntington Park of a development permit, conditional use permit, and tentative tract map (collectively, the “Entitlements”) a mixed townhome and/or charter school use (“Buyers Intended Use”).

If all the foregoing conditions precedent have not been either met to Buyer’s sole satisfaction or expressly waived in writing by Buyer on or before the respective dates set forth therein, or if no date is set forth therein on or prior to the Close of Escrow, then this Agreement shall, at the option of Buyer, become null and void, in which event, except as expressly set forth in this Agreement, neither party shall have any further rights, duties and obligations hereunder, and Seller shall be entitled to the immediate refund of the Deposit.

13. Seller’s Conditions. For the benefit of Seller, the Close of Escrow and Seller’s obligation to consummate the sale of the Property, shall be contingent upon and subject to written notice to the Escrow Holder by Seller of the occurrence of all of the following conditions precedent (or Seller’s written waiver thereof, it being agreed that Seller can waive any or all such contingencies) on or before the Close of Escrow:

(a) Buyer’s delivery of all documents required to be delivered by Buyer pursuant to Section 6 hereof and performance of all other material covenants and agreements to be performed by Buyer under this Agreement.

(b) That as of the Close of Escrow the representations and warranties of Buyer contained in this Agreement are all either true and correct in all material respects or, to the extent that is not the case, have been waived by Seller.

(c) Approval of this transaction shall have been obtained from the Oversight Board to the Successor Agency to the Community Development Commission of the City of Huntington Park and the California Department of Finance.

14. Survey. Buyer, at Buyer’s sole cost and expense, may obtain an ALTA survey acceptable to the Title Company prior to the expiration of the Due Diligence Period.

15. Destruction/Condemnation. In the event that prior to the Close of Escrow, the Property, or any portion thereof, is damaged by fire, earthquake, or other casualty, or is subject to a taking by a public authority other than Buyer, then Buyer shall have the right, exercisable by giving notice to Seller within fifteen (15) days after receiving written notice of such damage or taking, either (a) to terminate this Agreement, in which case neither party shall have any further rights or obligations hereunder, except that (i) Seller shall be responsible for all cancellation fees charged by the Escrow Holder and/or the Title Company and (ii) the Deposit and any other funds deposited into Escrow by Buyer, including interest thereon, shall be refunded to Seller, or (b) to accept the Property in its then condition and proceed with the Closing, and to receive an assignment of all of Seller’s rights to any proceeds of insurance or condemnation awards payable by reason of such damage or taking. If Buyer elects to proceed under the preceding clause (b), there shall be no adjustment to the Purchase Price and Seller shall not compromise, settle or adjust any claims to such proceeds of insurance or condemnation awards. Seller agrees to give Buyer prompt notice of any damage to or taking of the Property promptly after Seller receives notice of the same.

Buyer's Initials: _____ Seller's Initials: _____

16. Disposition of Deposit. IF THE TRANSACTION HEREIN PROVIDED SHALL NOT BE CLOSED BY REASON OF SELLER'S DEFAULT UNDER THIS AGREEMENT OR THE FAILURE OF SATISFACTION OF THE CONDITIONS DESCRIBED IN SECTION 12 HEREOF, AND BUYER SHALL NOT HAVE DEFAULTED UNDER THIS AGREEMENT, THEN THE DEPOSIT SHALL BE RETURNED TO SELLER, AND NEITHER PARTY SHALL HAVE ANY FURTHER OBLIGATION OR LIABILITY TO THE OTHER; PROVIDED, HOWEVER, IF THE TRANSACTIONS HEREUNDER SHALL FAIL TO CLOSE BY REASON OF SELLER'S DEFAULT (THE FAILURE OF THE CALIFORNIA DEPARTMENT OF FINANCE TO APPROVE THIS AGREEMENT SHALL NOT BE A DEFAULT OF SELLER), AND BUYER SHALL HAVE FULLY PERFORMED ITS OBLIGATIONS HEREUNDER AND SHALL BE READY, WILLING AND ABLE TO CLOSE, THEN BUYER SHALL BE ENTITLED TO SPECIFICALLY ENFORCE THIS AGREEMENT (BUT NO OTHER ACTION, FOR DAMAGES OR OTHERWISE, SHALL BE PERMITTED). IF BUYER FAILS TO COMPLETE THE PURCHASE OF THE PROPERTY AS HEREIN PROVIDED BY REASON OF ANY DEFAULT OF BUYER, AND SELLER SHALL HAVE FULLY PERFORMED ITS OBLIGATIONS HEREUNDER AND SHALL BE READY, WILLING AND ABLE TO CLOSE, THEN SELLER SHALL BE ENTITLED TO SPECIFICALLY ENFORCE THIS AGREEMENT (BUT NO OTHER ACTION, FOR DAMAGES OR OTHERWISE, SHALL BE PERMITTED). IT IS AGREED THAT THE DEPOSIT SHALL BE NON-REFUNDABLE AND SELLER SHALL BE ENTITLED TO SUCH DEPOSIT. IF FURTHER INSTRUCTIONS ARE REQUIRED BY ESCROW HOLDER TO EFFECTUATE THE TERMS OF THIS PARAGRAPH, BUYER AND SELLER AGREE TO EXECUTE THE SAME. THE PARTIES ACKNOWLEDGE THIS PROVISION BY PLACING THEIR INITIALS BELOW:

SELLER

BUYER

17. As-Is Sale. BUYER ACKNOWLEDGES AND AGREES THAT BUYER WILL BE CONCLUDING THE PURCHASE OF THE PROPERTY BASED SOLELY UPON BUYER'S INSPECTION AND INVESTIGATION OF THE PROPERTY, AND THAT BUYER WILL BE PURCHASING THE PROPERTY ON AN "AS IS, WHERE IS" BASIS, WITH ALL FAULTS, LATENT AND PATENT. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUYER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, IS NOT HEREBY MAKING, AND SELLER HEREBY EXPRESSLY DISCLAIMS AND NEGATES, ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EITHER EXPRESS OR IMPLIED, EXCEPT THOSE EXPRESSLY CONTAINED IN SECTION 10 OF THIS AGREEMENT, ON WHICH BUYER IS RELYING, AS TO ANY MATTER CONCERNING THE PROPERTY, INCLUDING, WITHOUT LIMITATION, MATTERS RELATING TO THE ZONING, LAND-USE OR OTHER ENTITLEMENTS, THE ENVIRONMENTAL CONDITION OF THE PROPERTY (INCLUDING, WITHOUT LIMITATION, THE EXISTING ENVIRONMENTAL CONDITION), AND/OR SOILS, SEISMIC, GEOTECHNICAL, THE CONSTRUCTION OF THE IMPROVEMENTS ON THE PROPERTY, THE COMPLIANCE OF THE PROPERTY WITH APPLICABLE LAWS AND REGULATIONS, THE FINANCIAL CONDITION OF

THE PROPERTY OR ANY OTHER REPRESENTATION OR WARRANTY RESPECTING LIENS, ENCUMBRANCES, RIGHTS OR CLAIMS, AFFECTING OR CONCERNING THE PROPERTY OR ANY PART THEREOF, AND SELLER SPECIFICALLY DISCLAIMS ANY SUCH REPRESENTATIONS OR WARRANTIES, AND/OR OTHER MATTERS RELATING TO THE CONDITION OF THE PROPERTY. BUYER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY BY OR ON BEHALF OF SELLER, INCLUDING, WITHOUT LIMITATION, THE ENVIRONMENTAL REPORTS AND THE OTHER DOCUMENTS AND INSTRUMENTS TO BE DELIVERED TO, OR OTHERWISE MADE AVAILABLE TO, BUYER WAS OBTAINED FROM A VARIETY OF SOURCES, THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION, THAT ALL SUCH INFORMATION HAS BEEN AND SHALL BE PROVIDED SOLELY AS AN ACCOMMODATION TO BUYER, AND THAT SELLER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION. AS PART OF BUYER'S AGREEMENT TO PURCHASE AND ACCEPT THE PROPERTY "AS-IS, WHERE-IS," AND "WITH ALL FAULTS", AND NOT AS A LIMITATION ON SUCH AGREEMENT, BUYER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY AND ALL ACTUAL OR POTENTIAL CLAIMS OR RIGHTS AGAINST THE SELLER ARISING OUT OF THE INACCURACY OR INCOMPLETENESS OF ANY MATERIALS SO FURNISHED, ARISING OUT OF OR IN CONNECTION WITH THE ENVIRONMENTAL CONDITION OF THE PROPERTY, AND ANY AND ALL ACTUAL OR POTENTIAL CLAIMS OR RIGHTS BUYER MIGHT HAVE REGARDING ANY FORM OF REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR TYPE, RELATING TO THE PROPERTY, OTHER THAN IN CONNECTION WITH THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY CONTAINED IN SECTION 10 OF THIS AGREEMENT. SUCH WAIVER IS ABSOLUTE, COMPLETE, TOTAL AND UNLIMITED IN ANY WAY. AS PART OF THE PROVISIONS OF THIS SECTION, BUT NOT AS A LIMITATION THEREON, BUYER HEREBY AGREES, REPRESENTS AND WARRANTS THAT THE MATTERS RELEASED HEREIN ARE NOT LIMITED TO MATTERS WHICH ARE KNOWN OR DISCLOSED, AND BUYER HEREBY WAIVES ANY AND ALL RIGHTS AND BENEFITS WHICH IT NOW HAS, OR IN THE FUTURE MAY HAVE CONFERRED UPON IT, BY VIRTUE OF THE PROVISIONS OF FEDERAL, STATE OR LOCAL LAWS, RULES OR REGULATIONS, INCLUDING WITHOUT LIMITATION, SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA OR ANY SIMILAR STATUTE, LAW, RULE OR REGULATION OF ANY OTHER STATE. BUYER ACKNOWLEDGES THAT SECTION 1542 OF THE CIVIL CODE OF THE STATE OF CALIFORNIA PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTION THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

SELLER AND BUYER HAVE EACH INITIALED THIS SECTION TO FURTHER INDICATE THEIR AWARENESS AND ACCEPTANCE OF EACH AND EVERY PROVISION HEREOF.

SELLER

BUYER

The provisions of this Section 17 shall survive the Close of Escrow and the Recording of the Grant Deed.

18. Notices. All notices and demands shall be given in writing by certified mail, postage prepaid, and return receipt requested, or by personal delivery (by recognized courier service or otherwise). Notices shall be considered given upon the earlier of (a) personal delivery or (b) two (2) Business Days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested. A copy of all notices shall be sent to Escrow Holder. Notices shall be addressed as provided below for the respective party; provided that if any party gives notice in writing of a change of name or address, notices to such party shall thereafter be given as demanded in that notice:

Seller: Successor Agency to the Community Development
Commission of the City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255
Attention: Mr. Julio Morales, Director of Finance
Phone: (323) 584-6266
Fax: (323) 584-6244
email: jmorales@huntingtonpark.org

Buyer:

Escrow Holder:

19. Broker's Commissions. Seller is represented by a real estate agent or broker in this transaction. Buyer represents it has not incurred liability for any brokerage commission or finder's fee arising from or relating to the transactions contemplated by this Agreement other than as disclosed in this Section 19. Seller hereby indemnifies and agrees to protect, defend and hold harmless Buyer from and against all liability, cost, damage or expense (including, without limitation, attorneys' fees and costs incurred in connection therewith) on account of any brokerage commission or finder's fee which is claimed to be due as a result of the actions of

Seller. This Section 19 is intended to be solely for the benefit of the parties hereto and is not intended to benefit, nor may it be relied upon by, any person or entity not a party to this Agreement. The indemnification obligations contained in this Section 19 shall survive the Close of Escrow and the delivery of the Grant Deed.

20. Removal of Personal Property. Except for the Personal Property which shall be conveyed at the Close of Escrow to the Buyer pursuant to the Bill of Sale, title to all personal property located on the Property shall remain in the Seller, and the Seller, at its sole expense, shall cause all such personal property to be removed from the Property.

21. Time is of the Essence. The parties hereto agree that time is of the essence with respect to each term, condition and covenant hereof.

22. Successors and Assigns. The provisions of this Agreement are expressly binding upon, and shall inure to the benefit of, the parties hereto and their successors in interest and assigns.

23. Entire Agreement. This Agreement, together with all exhibits hereto, integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties or their predecessors in interest with respect to all or any part of the subject matter hereof.

24. Severability. Invalidation of any of the terms, conditions, covenants, or other provisions contained herein by judgment or court order shall in no way affect any of the other terms, conditions, covenants, or provisions hereof, and the same shall remain in full force and effect.

25. Amendments. Any amendments to this Agreement shall be effective only when duly executed by Seller and Buyer and deposited with Escrow Holder.

26. Attorneys' Fees. In the event that suit is brought for the enforcement of this Agreement or as the result of any alleged breach thereof, the prevailing party or parties in such suit shall be entitled to recover their reasonable attorneys' fees, costs, and expenses from the losing party or parties, and any judgment or decree rendered in such proceedings shall include an award thereof.

27. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of Seller and Buyer and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

28. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

29. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. For purposes of this Agreement, facsimile signatures shall be deemed to be original

signatures, and shall be followed by the immediate overnight delivery of original signature pages.

30. Assignment of Agreement. Buyer and Seller may assign or transfer their respective rights or obligations under this Agreement to a related or affiliated third party.

31. 1031 Exchange. Buyer may elect to seek to structure the transfer of the Property as a tax-deferred exchange pursuant to Sections 1031 or 1033 of the Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated thereunder (“**Exchange**”), subject to the limitations set forth herein. Each party shall reasonably cooperate with the other, at no material cost to such cooperating party, in connection with the same, including, but not limited to, executing and delivering a consent of an assignment to a qualified exchange intermediary of rights (but not obligations) under this Agreement; provided that (i) Seller shall not be required to incur any additional liabilities or financial obligations as a consequence of such cooperation, (ii) Buyer shall not be relieved of its obligations, representations or warranties under this Agreement, (iii) any attempt to structure the sale of the Property as an Exchange shall not be a condition to, and shall not delay or extend, the Closing, and (iv) Seller shall not be required to acquire title to any other property. Seller agrees that performance by the intermediary designated by Seller will be treated as performance by Seller. Any risk that such an Exchange might not qualify as a tax-deferred transaction shall be borne solely by the Buyer, and Buyer acknowledges that Seller has not provided, and will not provide, any tax, accounting, legal or other advice regarding the efficacy of any attempt to structure the transaction as an Exchange. Buyer agrees to save, protect, defend, indemnify and hold Seller harmless from any and all losses, costs, claims, liabilities, penalties, and expenses, including, without limitation, reasonable attorneys’ fees, fees of accountants and other experts, and costs of any judicial or administrative proceeding or alternative dispute resolution to which Seller may be exposed, due to any attempt to structure the transaction as an Exchange.

32. Interpretation. Whenever used herein, the term “including” shall be deemed to be followed by the words “without limitation.” Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender. “Days” means calendar days. “Business Day” means any day that Huntington Park City Hall is open to the public.

33. Captions. The captions and headings of the Articles and Sections of this Agreement are for convenience of reference only, and shall not be deemed to define or limit the provisions hereof.

34. Exhibits. The exhibits and schedules attached hereto are hereby incorporated by reference herein.

35. Effect of Waiver. A waiver by either party hereto shall not affect either party's right to enforce the provisions contained herein, nor shall any extension or waiver be held to be an extension of time or waiver of any prior or subsequent breach of the same or any other obligation under this Agreement.

DRAFT FOR DISCUSSION

36. Confidentiality. Buyer acknowledges that, during the course of its due diligence, the information it will receive with respect to the Property and Seller is confidential in nature. Buyer agrees (unless otherwise required by law) not to disclose such information to any third party and to keep such information confidential, except for disclosures which may be made to Buyer's attorneys, accountants, and other consultants employed for the purpose of facilitating the transactions contemplated hereby, provided that Buyer makes all such parties aware of the confidentiality requirements set forth herein, and causes such parties to abide by this Section.

37. No Memorandum. The parties agree that neither this Agreement nor a memorandum hereof shall be recorded, as the parties intend to maintain the confidentiality of the transactions contemplated hereby.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first above written.

SELLER:

SUCCESSOR AGENCY TO THE CITY OF
HUNTINGTON PARK COMMUNITY
DEVELOPMENT COMMISSION

BUYER:

Rene Bobadilla, Executive Director

By: _____
Print Name: _____
Title: _____

ATTEST:

Rocio Martinez, Acting City Clerk

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA,
COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

All that certain real property situated in the County of Los Angeles, State of California,
described as follows:

Lot 676 and 677, Tract No. 3126, as shown on map recorded in Book 33, Page 51 of
Miscellaneous Maps, and the South 39 feet of the West 165 feet of Lot 427, Tract No. 2487, as
shown on map recorded in Book 31, Page 71 of Miscellaneous Maps, in the office of the County,
Recorder, County of Los Angeles, California.

EXHIBIT B

INTENTIONALLY LEFT BLANK

EXHIBIT C

FORM OF GRANT DEED

RECORDING REQUESTED BY

Lawyers Title Company

AND WHEN RECORDED RETURN TO:

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
AND MAIL TAX STATEMENTS TO:

The undersigned grantor declares:
DOCUMENTARY TAX IS \$_____ BASED ON
THE VALUE OF AND CONSIDERATION FOR
THE PROPERTY (CITY OF HUNTINGTON
PARK, COUNTY OF LOS ANGELES)

Assessor's Parcel No: _____

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON PARK COMMUNITY DEVELOPMENT COMMISSION, a public body, corporate and politic ("Grantor"), hereby grants to _____, a California limited liability company ("Grantee"), that certain real property (the "Land") located in the City of Huntington Park, County of Los Angeles, State of California, more particularly described in Exhibit A attached hereto together with all right, title and interest of Grantor in and to all buildings and improvements now located or hereafter constructed on the Land, subject to:

- a. All matters of record; and
- b. All matters which would be disclosed by an ALTA survey (it being understood that Grantee will rely on title insurance and its right to conduct a survey).

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 20__.

CITY OF HUNTINGTON PARK

By: _____
Name: _____
Title: _____

Exhibit C

DRAFT FOR DISCUSSION

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____ before me, _____, personally appeared
_____, who proved to me on the basis of satisfactory evidence
to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
(NOTARY SEAL)

My Commission Expires: _____

DRAFT FOR DISCUSSION

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, before me, _____, a
notary public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On _____, before me, _____, a
notary public, personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public

SEAL:

**Exhibit A
to Grant Deed**

LEGAL DESCRIPTION OF THE PROPERTY

THE LAND REFERRED TO HEREIN IS SITUATED IN THE STATE OF CALIFORNIA,
COUNTY OF LOS ANGELES, DESCRIBED AS FOLLOWS:

All that certain real property situated in the County of Los Angeles, State of California,

Lot 676 and 677, Tract No. 3126, as shown on map recorded in Book 33, Page 51 of
Miscellaneous Maps, and the South 39 feet of the West 165 feet of Lot 427, Tract No. 2487, as
shown on map recorded in Book 31, Page 71 of Miscellaneous Maps, in the office of the County,
Recorder, County of Los Angeles, California.

EXHIBIT D

DESCRIPTION OF ENVIRONMENTAL MATTERS

(To be provided by Seller)

EXHIBIT E

CERTAIN DEFINITIONS

Environmental Laws means all federal, state, local, or municipal laws, rules, orders, regulations, statutes, ordinances, codes, decrees, or requirements of any government authority regulating, relating to, or imposing liability or standards of conduct concerning any Hazardous Substance (as later defined), or pertaining to occupational health or industrial hygiene (and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property), occupational or environmental conditions on, under, or about the Property, as now or may at any later time be in effect, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA) [42 USCS §§ 9601 et seq.]; the Resource Conservation and Recovery Act of 1976 (RCRA) [42 USCS §§ 6901 et seq.]; the Clean Water Act, also known as the Federal Water Pollution Control Act (FWPCA) [33 USCS §§ 1251 et seq.]; the Toxic Substances Control Act (TSCA) [15 USCS §§ 2601 et seq.]; the Hazardous Materials Transportation Act (HMTA) [49 USCS §§ 1801 et seq.]; the Insecticide, Fungicide, Rodenticide Act [7 USCS §§ 136 et seq.]; the Superfund Amendments and Reauthorization Act [42 USCS §§ 6901 et seq.]; the Clean Air Act [42 USCS §§ 7401 et seq.]; the Safe Drinking Water Act [42 USCS §§ 300f et seq.]; the Solid Waste Disposal Act [42 USCS §§ 6901 et seq.]; the Surface Mining Control and Reclamation Act [30 USCS §§ 1201 et seq.]; the Emergency Planning and Community Right to Know Act [42 USCS §§ 11001 et seq.]; the Occupational Safety and Health Act [29 USCS §§ 655 and 657]; the California Underground Storage of Hazardous Substances Act [H & S C §§ 25280 et seq.]; the California Hazardous Substances Account Act [H & S C §§ 25300 et seq.]; the California Hazardous Waste Control Act [H & S C §§ 25100 et seq.]; the California Safe Drinking Water and Toxic Enforcement Act [H & S C §§ 24249.5 et seq.]; the Porter-Cologne Water Quality Act [Wat C §§ 13000 et seq.] together with any amendments of or regulations promulgated under the statutes cited above and any other federal, state, or local law, statute, ordinance, or regulation now in effect or later enacted that pertains to occupational health or industrial hygiene, and only to the extent that the occupational health or industrial hygiene laws, ordinances, or regulations relate to Hazardous Substances on, under, or about the Property, or the regulation or protection of the environment, including ambient air, soil, soil vapor, groundwater, surface water, or land use.

Hazardous Substances includes without limitation:

- (a) Those substances included within the definitions of hazardous substance, hazardous waste, hazardous material, toxic substance, solid waste, or pollutant or contaminant in CERCLA, RCRA, TSCA, HMTA, or under any other Environmental Law;
- (b) Those substances listed in the United States Department of Transportation (DOT) Table [49 CFR 172.101], or by the Environmental Protection Agency (EPA), or any successor agency, as hazardous substances [40 CFR Part 302];
- (c) Other substances, materials, and wastes that are or become regulated or classified as hazardous or toxic under federal, state, or local laws or regulations; and

- (d) Any material, waste, or substance that is
 - (i) a petroleum or refined petroleum product,
 - (ii) asbestos,
 - (iii) polychlorinated biphenyl,
 - (iv) designated as a hazardous substance pursuant to 33 USCS § 1321 or listed pursuant to 33 USCS § 1317,
 - (v) a flammable explosive, or
 - (vi) a radioactive material.